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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 27 2007

Attorneys for Northern Sunrise Water Company  
and Southern Sunrise Water Company

DOCKETED BY

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF  
NORTHERN SUNRISE WATER COMPANY FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER UTILITY  
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

IN THE MATTER OF THE APPLICATION OF  
SOUTHERN SUNRISE WATER COMPANY FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER UTILITY  
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. ~~W-20454A-06-0248~~

IN THE MATTER OF THE JOINT APPLICATION  
OF NORTHERN SUNRISE WATER COMPANY  
AND SOUTHERN SUNRISE WATER COMPANY  
FOR THE APPROVAL OF SALE AND TRANSFER  
OF WATER UTILITY ASSETS, AND  
CANCELLATION OF CERTIFICATES OF  
CONVENIENCE AND NECESSITY, FOR  
MIRACLE VALLEY WATER COMPANY,  
COCHISE WATER COMPANY, HORSESHOE  
RANCH WATER COMPANY, CRYSTAL WATER  
COMPANY, MUSTANG WATER COMPANY,  
CORONADO ESTATES WATER COMPANY, AND  
SIERRA SUNSET WATER COMPANY, LOCATED  
IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251  
W-20454A-06-0251  
W-01646A-06-0251  
W-01868A-06-0251  
W-02235A-06-0251  
W-02316A-06-0251  
W-02230A-06-0251  
W-01629A-06-0251  
W-02240A-06-0251

NOTICE OF COMPLIANCE WITH  
DECISION NO. 68826

Northern Sunrise Water Company ("Northern Sunrise") and Southern Sunrise Water Company ("Southern Sunrise") (collectively "Applicants") hereby submit this Notice of Compliance With Decision No. 68826 (June 29, 2006) ("Order"), which addresses the following two items: 1) the requirement that, by August 25, 2007, Applicants complete the improvements

1 listed in Exhibit B of the Order, as well as install an additional 30,000 gallons of storage for the  
2 Sierra Sunset system; and 2) the requirement that Applicants file with Docket Control by  
3 August 31, 2007 an annual off-site hook-up fee status report for the prior twelve month period.

4 On August 14, 2007 a Procedural Order was issued, extending the deadline to complete  
5 the system improvements listed in Exhibit B, and the addition of 30,000 gallons of storage for the  
6 Sierra Sunset system, to February 19, 2008.

7 Attached hereto as Exhibits 1 and 2 are reports on Water Hook-Ups for Northern Sunrise  
8 and Southern Sunrise, respectively. The reports show that for the period from February 19, 2007<sup>1</sup>  
9 through July 31, 2007 there were no hook-ups in accordance with Decision No. 68272  
10 (November 8, 2005), which imposed on the McLain water systems a moratorium on new  
11 customer hook-ups.

12 DATED this 27<sup>th</sup> day of August, 2007.

13 FENNEMORE CRAIG, P.C.

14  
15 By: 

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21 Attorneys for Northern Sunrise Water Company  
22 and Southern Sunrise Water Company  
23  
24

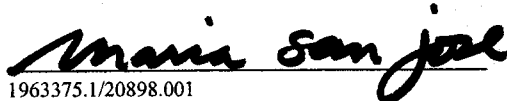
25 <sup>1</sup> Arizona Small Utility Association ("ASUA") was the Interim Manager for the McLain water systems prior to  
26 Applicants' acquiring the assets on February 19, 2007. AUSA did not provide any report regarding hook-ups for the  
period from August 1, 2006 through February 18, 2007.

1 **ORIGINAL and 33 copies filed**  
2 this 27<sup>th</sup> day of August, 2007 to:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington Street  
6 Phoenix, Arizona 85007

7 **COPY hand delivered**  
8 this 27<sup>th</sup> day of August, 2007 to:

9 Kimberly Battista, Chief of Compliance  
10 Utilities Division  
11 Arizona Corporation Commission  
12 1200 West Washington St.  
13 Phoenix, Arizona 85007

14   
15 1963375.1/20898.001

# EXHIBIT

1

**Northern Sunrise Water Company**  
**Annual Off-Site Hook-Up Fee Paid**  
**Reporting Period February 19, 2007 \*\* - July 31, 2007**

**Water Hook-Ups**

<b>Customer Name</b>	<b>Location-Customer Number</b>	<b>Residential</b>	<b>Commercial</b>	<b>Other</b>	<b>Total</b>
					0
					0
					0
					0
					0
					0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Northern Sunrise has not connected any new customer that was not already connected through the previous McLain System due to Commission decision 68272 which imposed a moratorium on new connections. Northern Sunrise has not collected any hook-up fees from customers. Northern Sunrise has not accrued interest on hook-up fees or spent any money from that account.

\*\* Water system assets acquired from bankruptcy estate 2/19/07

Reference Docket: W-20453A-06-0247 Decision # 68826

# **EXHIBIT**

# **2**

**Southern Sunrise Water Company**  
**Annual Off-Site Hook-Up Fee Paid**  
**Reporting Period February 19, 2007 \*\* - July 31, 2007**

**Water Hook-Ups**

<b>Customer Name</b>	<b>Location-Customer Number</b>	<b>Residential</b>	<b>Commercial</b>	<b>Other</b>	<b>Total</b>
					0
					0
					0
					0
					0
					0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Southern Sunrise has not connected any new customer that was not already connected through the previous McLain System due to Commission decision 68272 which imposed a moratorium on new connections. Southern Sunrise has not collected any hook-up fees from customers. Southern Sunrise has not accrued interest on hook-up fees or spent any money from that account.

\*\* Water system assets acquired from bankruptcy estate 2/19/07

Reference Docket: W-20453A-06-0247 Decision # 68826